



DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0006; DS63644000 DRT000000.CH7000 234D1113RT

OMB Control Number 1012-0009]

Agency Information Collection Activities: OCS Net Profit Share Payment

AGENCY: Office of Natural Resources Revenue (“ONRR”), Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (“PRA”), ONRR is proposing to renew an information collection. Through this Information Collection Request (“ICR”), ONRR seeks renewed authority to collect information necessary to determine net profit share payments due the United States pursuant to Outer Continental Shelf (“OCS”) oil and gas leases.

DATES: You must submit your written comments on or before **(INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*).**

ADDRESSES: All comment submissions must (1) reference “OMB Control Number 1012-0009” in the subject line; (2) be sent to ONRR before the close of the comment period listed under **DATES**; and (3) be sent using the following method:

- *Electronically via the Federal eRulemaking Portal:* Please visit <https://www.regulations.gov>. In the Search Box, enter the Docket ID Number for this ICR renewal (“ONRR-2011-0006”) and click “search” to view the publications associated with the docket folder. Locate the document with an open comment period and click the “Comment Now!” button. Follow the prompts to submit your comment prior to the close of the comment period.

Docket: To access the docket folder to view the ICR **Federal Register** publications, go to <https://www.regulations.gov> and search “ONRR-2011-0006” to view renewal notices recently published in the **Federal Register**, publications associated with prior renewals, and applicable public comments received for this ICR. ONRR will make the comments submitted in response to this notice available for public viewing at <https://www.regulations.gov>.

OMB ICR Data: OMB also maintains information on ICR renewals and approvals. You may access this information at <https://www.reginfo.gov/public/do/PRASearch>. Please use the following instructions: Under the “OMB Control Number” heading enter “1012-0009” and click the “Search” button located at the bottom of the page. To view the ICR renewal or OMB approval status, click on the latest entry (based on the most recent date). On the “View ICR—OIRA Conclusion” page, check the box next to “All” to display all available ICR information provided by OMB.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, please contact Aaron Lindquist, Data Intake, Solutioning, and Coordination, ONRR, by email at Aaron.Lindquist@onrr.gov or by telephone at (303) 231-3020. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: Pursuant to the PRA, 44 U.S.C. 3501, *et seq.*, and 5 CFR 1320.5, all information collections, as defined in 5 CFR 1320.3, require approval by OMB. ONRR may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

As part of ONRR's continuing effort to reduce paperwork and respondent burdens, ONRR is inviting the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information in accordance with the PRA and 5 CFR 1320.8(d)(1). This helps ONRR to assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand ONRR's information collection requirements and provide the requested data in the desired format.

ONRR is especially interested in public comments addressing the following:

- (1) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- (2) The accuracy of ONRR's estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;
- (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and
- (4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. ONRR will include or summarize each comment in its request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask ONRR in your comment to withhold your personal identifying information from public review, ONRR cannot guarantee that it will be able to do so.

(a) Abstract - General Information: The Federal Oil and Gas Royalty Management Act of 1982 (“FOGRMA”) directs the Secretary of the Interior (“Secretary”) to “establish a comprehensive inspection, collection and fiscal and production accounting and auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owed, and to collect and account for such amounts in a timely manner.” *See* 30 U.S.C. 1711. ONRR performs these and other mineral revenue management responsibilities for the Secretary. *See* U.S. Department of the Interior Departmental Manual, 112 DM 34.1 (Sept. 9, 2020).

Through this ICR, ONRR seeks continuing authority to collect information necessary to perform its delegated mineral revenue management responsibilities for Net Profit Share Leases (“NPSLs”). The NPSLs are OCS leases that provide for the payment to the United States of a percentage of the net profits from oil and gas production. *See* 30 CFR part 1220. The requirement to report the collected information accurately and timely is mandatory.

(b) Information Collections: Title 30 CFR part 1220 requires an NPSL lessee to maintain and provide the following categories of information.

(1) NPSL Capital Accounts and Reports: Sections 1220.010 and 1220.021 require the lessee to establish and maintain a capital account for each NPSL. These sections require the lessee to credit the capital account with all production revenues attributable to the NPSL and any other credits arising from NPSL activities. The sections also require the lessee to debit the account with all allowable direct and allocable joint costs incurred during the term of the lease, appropriate overhead allowances, and allowances for capital recovery.

Section 1220.031(a) requires the lessee to file annual reports with ONRR regarding the costs incurred until production revenues are credited to the capital account. Once production revenues are credited to the account, § 1220.031(b) requires the lessee to file

monthly reports with ONRR. That section requires the monthly reports to include the volume and disposition of all oil and gas production saved, removed, or sold, the production revenue, the amount and description of all costs and credits to the NPSL capital account, the balance of the NPSL capital account, the net profit share base and net profit share payment due the United States, and the monthly profit share of the lessee. Section 1220.031(e) requires the lessee to file a final report with ONRR upon cessation of production indicating the remaining balance and costs and credits to the NPSL capital account.

(2) NPSL Inventories: Section 1220.032(a) and (b) require the lessee to take inventories of NPSL equipment, apparatus, and supplies at reasonable intervals not to exceed three years. Section 1220.032(b) requires the lessee to notify BOEM of its intent to take inventory so that BOEM's Director may be represented at the inventory taking. Section 1220.032(d) requires the lessee to reconcile the physical inventory with the NPSL capital account and to make a list of overages and shortages available to the BOEM Director for audit. Section 1220.031(d) requires the lessee to file an inventory report following the inventory taking.

(3) NPSL Records and Audits: Section 1220.030(a) requires an NPSL lessee to establish and maintain certain records related to the NPSL. Section 1220.033(e) authorizes ONRR to inspect these records during normal business hours upon request. Section 1220.033(a) authorizes ONRR to audit accounts of the NPSL lessee or its contractor related to NPSL operations. Where possible, § 1220.033(a) requires ONRR to coordinate its audit with audit efforts of other nonoperators, if any. Section 1220.033(b)(1) requires nonoperators of the NPSL lease to notify ONRR of an audit call so that it may elect to send an auditor with the nonoperator's audit team in lieu of a separate audit call.

Title of Collection: 30 CFR Part 1220, OCS Net Profit Share Payment Reporting.

OMB Control Number: 1012-0009.

Form Numbers: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Businesses.

Total Estimated Number of Annual Respondents: 9 lessees.

All nine lessees report monthly because all current NPSLs are in producing status.

ONRR estimates that these lessees will file a total of 180 monthly reports annually.

ONRR excluded estimates of certain requirements performed in the normal course of business that are considered usual and customary.

Total Estimated Number of Annual Responses: 180

Total Estimated Number of Annual Burden Hours: 1,584 hours

Estimated Completion Time per Response: 9 hours.

Respondent's Obligation: Mandatory.

Frequency of Collection: Monthly, annually, and on occasion.

Estimated Annual Non-hour Cost Burden: ONRR has identified no “non-hour” cost burden associated with the collection of information.

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the PRA (44 U.S.C. 3501, *et seq.*).

Howard Cantor,

Acting Director, Office of Natural Resources Revenue.

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